GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4117
ANSWERED ON:23.03.2001
REDUCTION OF TAXES
PRABHUNATH SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether during the Budget 2001-2002 excise duty and taxes have been reduced on many of the items; and

(b) if so, the manner in which the Government ensure that the benefit of these tax reductions go to the common man?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) yes, Sir, In this year`s budget, excise duty rates have been reduced on a few items,

(b) There is no specific provision under the excise laws for passing on duty reduction on goods to the consumers. The prices of commodities are determined by the market forces and depend on a multiplicity of factors such as taxation. Excise duty is levied at the production point and there is a long chain of intermediaries between production point and the consumer who add their costs and profits to the ex-factory prices.